
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**SURVIVOR BENEFITS PAID
IN INSTANCES WHEN THE
SOCIAL SECURITY ADMINISTRATION
REMOVED THE DEATH ENTRY FROM A
PRIMARY WAGE EARNER'S RECORD**

September 2006

A-06-06-26020

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, 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.**

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- 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.**

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We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: September 26, 2006

Refer To:

To: The Commissioner

From: Inspector General

Subject: Survivor Benefits Paid in Instances When the Social Security Administration Removed the Death Entry from a Primary Wage Earner's Record (A-06-06-26020)

OBJECTIVE

Our objective was to evaluate the appropriateness of survivor benefits paid in instances when the Social Security Administration (SSA) removed the death entry from the primary wage earner's record.

BACKGROUND

SSA maintains death information for all individuals with Social Security numbers (SSN) in a repository known as the Death Master File (DMF). SSA created the DMF pursuant to a settlement agreement in a *Freedom of Information Act* lawsuit.¹ The DMF is updated daily and made available to the public monthly. SSA accepts death reports from various sources, including an individual's relatives, friends, and neighbors. The source must provide SSA with the name, date of birth, and SSN of the deceased individual before SSA will input the death information into its records. Death information from the DMF appears on a deceased individual's Numerical Identification (Numident) record.² Death information should be consistent between the DMF; the Numident; and, in the case of a wage earner who received Old-Age, Survivors and Disability Insurance benefits, the Master Beneficiary Record (MBR).

The accuracy of death information is critical to SSA and its beneficiaries, as well as other Federal, State and local government agencies. Input of an erroneous death entry can lead to benefit termination and result in financial hardship for a beneficiary. Erroneous death entries can also provide an opportunity for the initiation of improper survivor benefit payments. Conversely, the removal of legitimate death entries could create an opportunity to initiate improper payment of retirement and disability benefits.

¹ See http://www.ssa.gov/legislation/testimony_110801.html; see also Civil Action Nos. 78-2385 and 78-2386, United States District Court, District of Columbia.

² SSA, Program Operations Manual Systems (POMS), SM 00623.001A.

In recognition of these risks, SSA policy requires that employees remove/delete a death entry from a wage earner's SSA record—"resurrect" the record—only when presented with proof the original entry was posted in error. To validate the integrity of these transactions, SSA further requires that both an initiator and an approver authorize removal of the death entry. SSA requires that employees document the circumstances surrounding the resurrection and provide pertinent facts supporting reinstatement in its evidence screen.³

Since January 2004, SSA has provided us electronic files containing all updates made to the DMF, including instances when SSA deleted death entries from the DMF. These files indicate that, from January 2004 through September 2005, SSA deleted 23,366 records from the DMF. We analyzed these 23,366 records and identified 1,277 that involved survivor or lump-sum death benefit claims.⁴ As of November 2005, Numident records for 599 of these 1,277 primary wage earners contained no date of death—a further indication the wage earners were alive. See Appendix B for the Scope and Methodology of our review.

RESULTS OF REVIEW

We identified 307 wage earners whose family members received survivor benefits even though SSA removed the wage earners' death entries from the DMF, and SSA's Numident file indicated the wage earners were alive. Contrary to SSA policy, SSA employees who deleted these death entries did not document pertinent facts to support or explain these transactions. The resurrection transactions indicated these wage earners were alive and therefore survivor benefits paid on these records were improper. As a result, SSA could pay over \$13 million in questionable survivor benefits on these records. A summary of the questionable survivor payments is provided in Appendix C.

SURVIVOR BENEFITS PAID ON RECORDS WITH DELETED DEATH ENTRIES

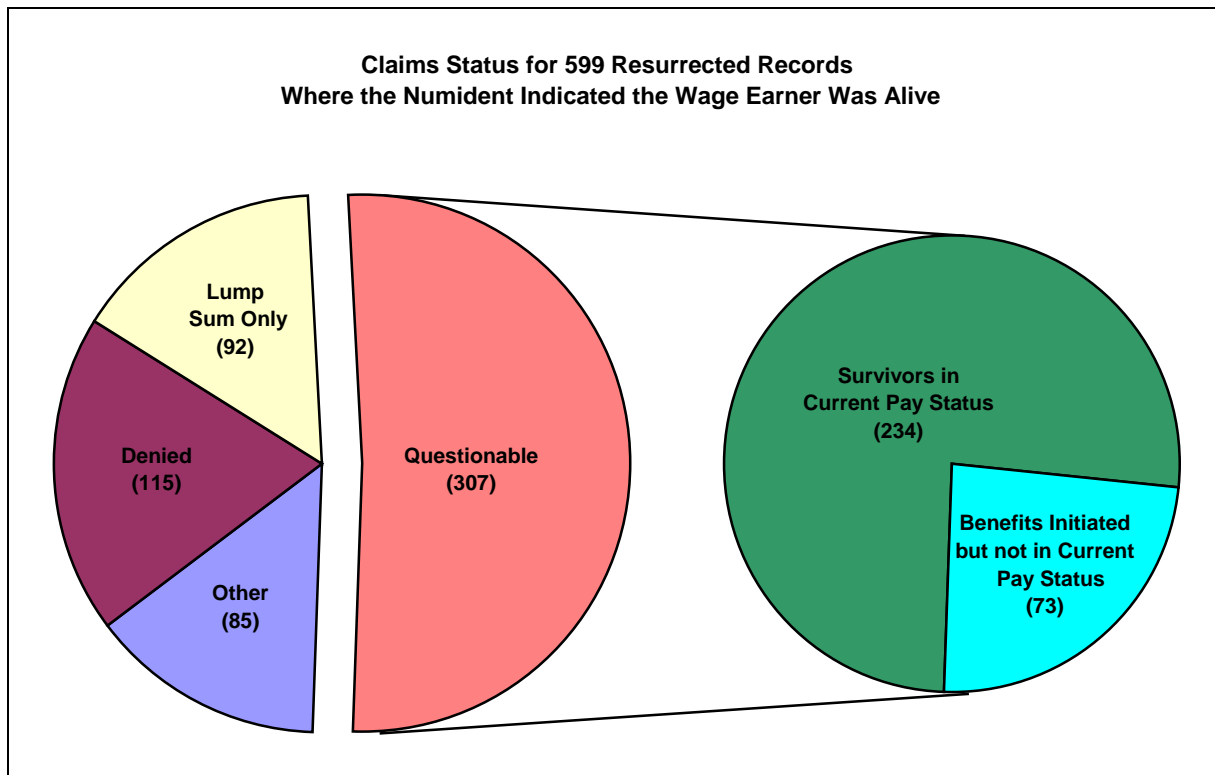
Records with No Date of Death on the Numident

SSA paid survivor benefits even after SSA employees removed the wage earners' death entries from its records. We identified 599 resurrected records that contained survivor or lump-sum death benefit claims, although, at the time of our audit, SSA's Numident records indicated the wage earners were alive. Claims status associated with 292 of these records did not indicate the need for further review (for example, the claims were denied, the claims involved only lump-sum death benefits, or the claims did not indicate a problem for some other reason). However, the claims status associated with 307 records indicated SSA paid survivor benefits to family members of living wage earners. At the time of our review, SSA was paying over \$180,000 in monthly survivor benefits on 234 of these 307 records. On the other 73 records, SSA initiated survivor benefits, but the payments were either terminated or

³ SSA, POMS, GN 02602.055.

⁴ The Type of Account Code in the account segment of the MBR was either an "L" (Lump Sum), "S" (Survivor), or "LS" (Lump Sum and Survivor).

suspended. Total questionable survivor payments on these 307 records could exceed \$13 million (see summary provided in Appendix C). Claims status for all 599 records is summarized below.



Records with Date of Death on the Numident

We also identified 678 resurrected records that contained either a survivor or lump-sum death benefit claim, but, at the time of the audit, SSA's Numident record indicated the individuals were deceased. In these cases, it appeared SSA processed a second death entry sometime after the resurrection transaction. Because both individual and payment records indicated these wage earners were deceased, we considered these resurrection transactions lower risk than the 599 records previously discussed. In March 2006, we asked SSA to review 41 of these records to provide reasons why the records were resurrected. SSA Operations and Systems staff reviewed the records, but they were unable to determine why the records were resurrected because there was insufficient historical information available to explain the activity on the DMF. We discuss SSA's resurrection documentation policy in further detail below.

NONCOMPLIANCE WITH POLICIES AND PROCEDURES

SSA policies and procedures provide detailed instructions for the removal of death entries from a wage earner's record. SSA does not require retention of hard copy documents to support resurrection transactions. Instead, SSA requires that personnel who process these transactions input narrative into SSA systems explaining why the transactions were necessary; document performance of required face-to-face interviews; and document the names of the SSA employees who initiated and approved the transaction.

However, SSA did not comply with these documentation requirements. We reviewed available documentation that supported 275 resurrection transactions⁵ and found the following.

- SSA employees provided an explanation or justification for only 2 of the 275 transactions. Employees should have documented this justification on systems evidence screens.
- SSA employees documented performance of required face-to-face interviews for only 1 of the 275 transactions. SSA employees must document these interviews for all resurrections unless the death entry resulted from an administrative error. We found no evidence to indicate any of these cases were administrative errors.
- SSA employees who removed the death entries documented the names of the transaction initiator and approver for only 1 of the 275 transactions. SSA requires that two employees participate in the resurrection process and that the names of the transaction initiator and approver be recorded on systems evidence screens.

Because SSA employees did not explain or justify these resurrection transactions, it is unclear if these wage earners were alive or dead. As a result, survivor benefits paid on these records were questionable.

⁵ The 275 included the 234 resurrected records with survivors who receive benefit payments (discussed on Page 2) and the 41 resurrected records forwarded to SSA for review.

CONCLUSION AND RECOMMENDATIONS

SSA could pay over \$13 million in survivor benefits on the records of 307 wage earners who appear to be alive. Because SSA employees deleted these wage earners' death entries without explanation or justification, it appeared each of these wage earners was alive, and survivor benefit payments to these wage earners' family members were improper. SSA could reduce the likelihood of improper payments by ensuring SSA employees adequately document resurrection transactions and promptly terminate improperly initiated survivor benefit payments.

We recommend that SSA:

1. Perform death verifications for each of the 307 records with survivor benefit payments identified in the report and take appropriate action (for example, terminate benefits and establish overpayments, reinstate death entries, refer potentially fraudulent cases to the Office of the Inspector General).
2. Re-emphasize to field office employees the importance of complying with established policies concerning the documentation of death entry removal transactions.

AGENCY COMMENTS AND OIG RESPONSE

SSA agreed with both of our recommendations. For Recommendation 1, SSA will perform death verifications for each of the 307 records with survivor benefit payments identified in the report and take appropriate action, including annotating the Evidence Screen in Shared Processes. For Recommendation 2, SSA is taking steps to re-emphasize to field office employees the importance of complying with established policies concerning the documentation of death entry removal transactions. In addition, an Agency workgroup is developing a check sheet for employees to ensure all the proper steps and documentation are completed for death reinstatement actions.

Additionally, SSA noted that some of the 307 cases in this review period pre-date the policy instituted in March 2004 that instructed the field offices to explain the reason for the reinstatement on the Evidence Screen in Shared Processes. We agree with the general comment that, between January and March 2004, the documentation requirement was different (required paper documentation in the claims folder instead of electronic documentation); however, the survivor benefits paid on these records remain questionable because these survivor benefits continued when the removal of death occurred. See Appendix D for the full text of SSA's comments.



Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Summary of Questioned Costs

[APPENDIX D](#) – Agency Comments

[APPENDIX E](#) – OIG Contacts and Staff Acknowledgments

Acronyms

DMF	Death Master File
MBR	Master Beneficiary Record
Numident	Numerical Identification
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSN	Social Security Number

Scope and Methodology

To accomplish our objective, we:

- Reviewed the Social Security Administration's (SSA) policies and procedures related to erroneous death terminations.
- Visited an SSA field office to discuss procedures used to remove an erroneous death entry from a wage earner's record.
- Analyzed 23,366 instances where SSA removed death entries from the Death Master File during the period January 2004 through September 2005. We identified 1,277 records that contained either a survivor or a lump sum death benefit claim.
- Analyzed Numerical Identification (Numident) records for each of the 1,277 wage earners and determined that, as of November 2005, 678 records contained a date of death and 599 did not contain a date of death.
- Retrieved and reviewed the Master Beneficiary Record, identified the status of any related survivor claims, and quantified the survivor payments for each of the 599 records.
- Analyzed SSA records for the 678 wage earners whose Numident record contained a date of death and identified the timing of the resurrection transaction relative to the date SSA posted the death entry on the Numident.
 - ✓ On 423 records, SSA processed the current death entry 1 or more months after the resurrection transaction.
 - ✓ In 244 instances, SSA resurrected the record in the same month a death entry was posted to the Numident. We randomly selected 30 of these records and forwarded them to SSA Operations staff for review.
 - ✓ In 11 instances, SSA resurrected records that contained death entries originally processed in 1977 or earlier. We forwarded these 11 cases to SSA Operations staff for review.
- Reviewed Shared Processes evidence screens for compliance with documentation requirements for 275 of the 1,277 resurrected records (234 of the 599 cases currently receiving survivor benefits, as well as the 41 cases we forwarded to SSA for review).

We performed our audit between October 2005 and June 2006 at SSA's Regional Office in Dallas, Texas. We did not test the general or application controls of SSA

systems that generated electronic data used for this audit. Instead, we traced selected transactions to source documents and performed other validation tests. As a result, we found the data to be sufficiently reliable to meet our audit objectives. The entity audited was the Office of the Deputy Commissioner for Operations. We conducted this audit in accordance with generally accepted government auditing standards.

Summary of Questioned Costs

Questionable Survivor Benefits Paid on 307 Resurrected Records Where no Date of Death Appeared on the Wage Earner's Numident			
Benefits Paid Through December 2005	Number of Records	Number of Beneficiaries	Amount
Claims in Pay Status	234	279	\$5,095,155
Claims Suspended or Terminated	73	164	3,686,695
Total	307	443	\$8,781,850
Future Payments on Claims in Pay Status	Number of Beneficiaries		Amount
Widow and Disabled Adult Child Benefits ⁶	192		1,653,899
Surviving Child and Parent Benefits ⁷	87		2,946,256
Total	279		\$4,600,155
Total Questionable Survivor Benefits			\$13,382,005

⁶ Future estimated benefits for 1 year at the current monthly benefit amount.

⁷ Based on current benefits paid until child turns 18 and parent payments until child turns 16.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: September 22, 2006

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Survivor Benefits Paid in Instances When the Social Security Administration has Removed the Death Entry from a Primary Wage Earner's Record" (A-06-06-26020) – INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Let me know if we can be of further assistance. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, on extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "SURVIVOR BENEFITS PAID IN INSTANCES WHEN THE SOCIAL SECURITY ADMINISTRATION (SSA) HAS REMOVED THE DEATH ENTRY FROM A PRIMARY WAGE EARNER'S RECORD (A-06-06-26020)

Thank you for the opportunity to review and comment on the draft report. Generally we agree with the report findings and recommendations. Please find below a general comment as well as our responses to the specific recommendations.

General Comment

The report states that contrary to SSA policy, employees did not document pertinent facts to support or explain the transactions for the 307 wage earners identified by OIG whose family members received survivor benefits even though the wage earners' death entry was removed during the review period, January 2004 through September 2005. It should be noted that some of the 307 cases in this review period pre-date the policy instituted in March 2004 that instructed the field offices to explain the reason for the reinstatement on the Evidence Screen in Shared Processes. Prior to that date, policy and processing instructions were different and the field offices did not have to explain the reason.

Recommendation 1

SSA should perform death verifications for each of the 307 records with survivor benefit payments identified in the report and take appropriate action (for example, terminate benefits and establish overpayments, reinstate death entries, refer potentially fraudulent cases to OIG).

Response

We agree. We will perform death verifications for each of the 307 records with survivor benefit payments identified in the report and take appropriate action, including annotating the Evidence Screen in Shared Processes.

Recommendation 2

SSA should re-emphasize to field office employees the importance of complying with established policies concerning the documentation of death entry removal transactions.

Response

We agree. Prior to and during the OIG review period, we were already in the process of rewriting death termination procedures. On October 12, 2005, we published Program Operations Manual System (POMS) Transmittal 34, GN 02602.055, which clarified documentation

procedures and strengthened instructions that all administrative errors must be documented on the Evidence Screen with a second approval employee. These particular POMS sections have been updated several times since they were published. Each time the sections are updated, the new transmittal is brought to the attention of all field employees' via the semi-monthly interactive video training. In addition, an Agency workgroup is developing a check sheet for employees to ensure that all the proper steps and documentation are completed for death reinstatement actions. We will continue to emphasize to field office employees the importance of complying with established policies through Administrative Messages and resource guides.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Paul Davila, Director, (214) 767-6317

Ron Gunia, Audit Manager, (214) 767-6620

Acknowledgments

In addition to those named above:

Clara Soto, Auditor-in-Charge

Joshua Campos, Auditor

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