



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Texas Death Information
Against Social Security
Administration Records

A-06-18-50569 / March 2019



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 20, 2019

Refer To:

To: The Commissioner

From: Inspector General

Subject: Match of Texas Death Information Against Social Security Administration Records
(A-06-18-50569)

The attached final report presents the results of the Office of Audit's review. The objective was to determine the appropriateness of payments the Social Security Administration (SSA) issued to beneficiaries and representative payees who were deceased according to Texas Department of State Health Services vital records. We also identified non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records.

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

A handwritten signature in cursive script that reads "Gail S. Ennis".

Gail S. Ennis

Attachment

Match of Texas Death Information Against Social Security Administration Records

A-06-18-50569



March 2019

Office of Audit Report Summary

Objective

To determine the appropriateness of payments the Social Security Administration (SSA) issued to beneficiaries and representative payees who were deceased according to Texas Department of State Health Services vital records. We also identified non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records.

Background

To identify and prevent payments after death, SSA established a program under which States can voluntarily contract with the Agency to provide death data to match against its records.

We obtained Texas Department of State Health Services data that provided the personally identifiable information of approximately 5.5 million Social Security numberholders who died in Texas from January 1976 to September 2017.

We matched the data against SSA payment records and identified current beneficiaries and representative payees whose personally identifiable information matched that of a deceased individual in the death data. We also identified non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records.

Findings

We estimate SSA issued about \$25 million in payments after death to approximately 336 beneficiaries and 18 representative payees who died in Texas during Calendar Year 2016 or earlier. We provided SSA with Texas death data and death certificates, and SSA had completed, or was completing, actions to address these cases. Identification and correction of these discrepancies will prevent approximately \$4 million in additional improper payments over the next 12 months.

We also identified 42,810 non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records. We provided SSA with Texas death data for these non-beneficiaries. Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information it shares with other Federal benefit-paying agencies.

Conclusion

These cases represented an opportunity for SSA to reduce improper payments and improve the completeness of its death information. SSA had completed, or was completing, action to address the improper payment cases. SSA stated that, because the non-beneficiary cases did not involve improper payments, any cleanup of these cases was a low priority and resource-dependent. SSA stated the earliest it could consider posting death information for these cases was the last quarter of Fiscal Year 2019.

Since SSA was already taking action on the issues we identified, we made no recommendations for corrective action and SSA had no comments on the report.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OIG	Office of the Inspector General
OASDI	Old-Age, Survivors and Disability Insurance
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine the appropriateness of payments the Social Security Administration (SSA) issued to beneficiaries and representative payees who were deceased according to Texas Department of State Health Services vital records. We also identified non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records.

BACKGROUND

To identify and prevent payments after death, section 205(r) of the *Social Security Act* requires that SSA establish a program under which States can voluntarily contract with the Agency to provide death data to match against their records.¹ When SSA receives and processes death data, its systems terminate payments to deceased beneficiaries.² When a representative payee³ dies, SSA must either replace the payee or send payments directly to the beneficiary until it finds a suitable payee.⁴ In addition, SSA's systems input dates of death in the Numident file, which stores personally identifiable information for all Social Security numberholders.⁵ SSA uses Numident information to create a full file of death information it shares with other Federal benefit-paying agencies.

We obtained Texas Department of State Health Services data that provided the personally identifiable information of approximately 5.5 million Social Security numberholders who died in Texas from January 1976 through September 2017.⁶ We matched the data against SSA payment records and identified beneficiaries and representative payees in current payment status whose personally identifiable information matched that of a deceased individual listed in the Texas data who died in 2016 or earlier. We also identified individuals who were not receiving OASDI benefits or SSI payments (that is, non-beneficiaries) whose death information did not appear in SSA records. See Appendix A for information on our scope and methodology.

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

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

³ SSA appoints a representative payee to receive and manage benefit payments for individuals unable to manage their own finances because of their youth or mental and/or physical impairments. *Social Security Act*, 42 U.S.C. § 405(j) (govinfo.gov 2017) and 1383(a)(2)(A)(ii) (govinfo.gov 2017).

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

⁵ SSA, *POMS*, GN 02602.050, A (October 30, 2017).

⁶ Texas death data for Calendar Years 1976 through 1978 did not include the decedents' dates of birth. As a result, we excluded these records from further review.

RESULTS OF REVIEW

We estimate SSA issued approximately \$25 million in payments after death to about 336 beneficiaries and 18 representative payees who died in Texas in Calendar Year 2016 or earlier. SSA's Dallas Regional Office formed a working group to review the improper payment cases. In April 2018, we provided the working group with Texas death data and death certificates. As of January 2019, the Dallas Region had completed, or was completing, actions to address these cases. Identification and correction of these discrepancies will prevent approximately \$4 million in additional improper payments over the next 12 months. See Appendix B for information on our sampling methodology and results.

We also identified 42,810 non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records. We provided SSA with Texas death data for these non-beneficiaries. Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information it shares with other Federal benefit-paying agencies.

Payments Issued to Deceased Beneficiaries

We identified 410 current pay beneficiaries whose personally identifiable information matched that of a deceased individual in the Texas death data. Review of available records indicated that 41 of 50 randomly selected beneficiaries were deceased.⁷ Based on our sample results, we estimate SSA issued approximately \$24 million in payments after death to 336 individuals. Examples follow.

- A disability beneficiary died in March 1996. SSA records did not contain a date of death and therefore disability benefit payments continued. SSA determined it issued \$186,915 in payments after death before it terminated the benefits in July 2018.
- An SSI recipient died in June 2000. SSA records did not contain a date of death and therefore SSI payments continued. SSA issued over \$140,000 in payments after death before it terminated the payments in August 2018.
- A widow receiving survivor benefits died in March 2012. In April 2012, SSA recorded her date of death in its records but did not terminate the survivor benefits. SSA issued over \$75,000 in payments after death before it terminated her benefits in August 2018.

⁷ The nine remaining cases appeared to involve incorrect identification of the decedents. In these cases, SSA records (1) noted that SSA personnel had contacted the beneficiary after the date of death in Texas records, (2) indicated the beneficiary had been a victim of identity theft, or (3) reflected use of the same SSN by two different individuals--and the deceased individual was not the legitimate numberholder.

Payments were made after death in most cases because the beneficiaries' death information was not in SSA's records.⁸ As a result, SSA did not terminate benefits after the individuals' deaths. As illustrated in Table 1, more than 40 percent of these beneficiaries died in 2015 or 2016.

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

Year of Death	Number of Records	Portion of Records
1979-2005	89	22%
2006-2014	145	35%
2015-2016	176	43%
Total	410	100%

Identification and correction of these discrepancies will prevent approximately \$4 million in additional improper payments over the next 12 months.

Payments to Deceased Representative Payees

We identified 18 deceased representative payees. As of June 2018, SSA had issued the representative payees \$648,811 in payments after their deaths. When a representative payee dies, SSA must replace the payee.⁹ By replacing deceased representative payees, SSA aims to ensure funds are used to meet the beneficiary's needs, such as food, clothing, shelter, and medical care.

SSA systems contained death information for all 18 deceased representative payees, but Agency staff had not replaced the decedents with new representative payees. This is a known issue we reported to SSA¹⁰ but did not appear to have been resolved. We provided SSA with information on each of the 18 deceased representative payees. As of January 2019, SSA had replaced, or was replacing, the deceased representative payees. Identification and correction of these discrepancies will prevent \$162,720 in additional payments after death over the next 12 months.

⁸ At the time of our review, 18 of the 410 beneficiaries' death information appeared in the Numident. We obtained the other 392 beneficiaries' death certificates but did not determine whether the State had reported the beneficiaries' deaths to SSA.

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

¹⁰ SSA, OIG, *Deceased Representative Payees*, A-01-14-34112 (June 2015).

Deceased Non-beneficiary Numberholders

We identified 42,810 non-beneficiaries¹¹ who were deceased according to Texas vital records but did not have death information in SSA records. As illustrated in Table 2, approximately 80 percent of these individuals died before 2000.

Table 2: Non-Beneficiaries by Year of Death

Year of Death	Number of Records	Portion of Records
1979-1989	27,344	64%
1990-1999	6,952	16%
2000-2009	5,941	14%
2010-2017	2,573	6%
TOTAL	42,810	100%

Resolving these discrepancies will reduce SSA's exposure to future improper payments and improve the accuracy and completeness of the death information it shares with other Federal benefit-paying agencies.¹² In August 2018, we provided SSA with data that identified all 42,810 individuals for corrective action. SSA stated that, because these types of cases do not involve improper payments, any cleanup of these cases is a low priority and resource-dependent. SSA stated the earliest it could consider posting death information for these cases via the Continuing Death Data Improvement project under its Information Technology Modernization is the last quarter of Fiscal Year 2019 or the first quarter of Fiscal Year 2020. Depending on resources and system capacity, this activity could be postponed even further.

¹¹ We matched Texas death records that included a validated Social Security number, name, date of birth, and gender (per Enumeration Verification System process) to SSA's full file of death information and excluded individuals who were receiving OASDI benefits or SSI payments.

¹² Although SSA shares its death information with other Federal benefit-paying agencies, the other agencies should independently verify the individual's death before they take adverse action. Also, based on January 2013 legislation, SSA was taking steps to improve the accuracy of its death information; *Improper Payments Elimination and Recovery Improvement Act of 2012*, Pub. L. No. 112-248, sec. 5(g)(1), 126 Stat. 2390, p. 2396 (January 10, 2013).

CONCLUSIONS

We estimate SSA issued about \$25 million in payments after death to approximately 336 beneficiaries and 18 representative payees. We also identified 42,810 non-beneficiaries who were deceased according to Texas vital records but whose death information did not appear in SSA records.

SSA had completed, or was completing, action to address the improper payment cases. Identification and correction of these discrepancies will prevent approximately \$4 million in additional improper payments over the next 12 months. SSA stated that, because the non-beneficiary cases did not involve improper payments, any cleanup of these cases was a low priority and resource-dependent. SSA stated the earliest it could consider posting death information for these cases is the last quarter of Fiscal Year 2019. Since SSA was already taking action on the issues we identified, we made no recommendations for corrective action.

AGENCY COMMENTS

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



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, 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 Texas death data that identified approximately 5.5 million individuals recorded as having died in Texas from January 1976 through September 2017.¹ We matched these records against the following.
 - SSA payment records and identified 410 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Texas death data who died in 2016 or earlier. We obtained Texas death certificates or other death verification for the 410 beneficiaries and referred most of these cases to SSA. We randomly selected 50 of the 410 beneficiaries for further review. For each sampled beneficiary, we:
 - Reviewed SSA’s systems, Texas death data, LexisNexis, and public records.
 - Determined whether SSA (a) documented contact with the beneficiary *after* the date of death in Texas records, (b) had previously determined the beneficiary was a victim of identity theft, or (c) listed two individuals on the same Numident record and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive, if not, we considered the beneficiary to be deceased.
 - SSA payment records and identified 18 deceased representative payees with beneficiaries in current payment status as of June 2018.
 - SSA’s Enumeration Verification System and SSA’s full file of death information and identified 42,810 non-beneficiaries who were deceased according to Texas death data but whose death information was not in SSA records as of June 2018.
- Calculated payments issued after death to the beneficiaries and representative payees, and estimated our results (see Appendix B).

¹ Texas death data for Calendar Years 1976 through 1978 did not include the decedents’ dates of birth. As a result, we excluded these records from further review.

We conducted our audit from February 2018 to January 2019 at SSA's Regional Office in Dallas, Texas. We determined the data used for this audit were sufficiently reliable to meet our audit objective. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We identified 410 current pay beneficiaries whose personally identifiable information matched that of a deceased individual in the Texas death data. We reviewed 50 randomly selected cases and determined that, as of June 2018, SSA had issued 41 deceased beneficiaries approximately \$2.9 million in payments after their deaths. Based on our sample results, we estimate SSA issued approximately \$24 million in improper payments to 336 beneficiaries.

Table B–1: Sample Results – Estimated Amounts Paid After Death

Description	Amounts
Total Records in Population	410
Sample Size	50
Sample Records with Past Payment Errors	41
Error Rate	82%
Improper Payments Through June 2018 on 41 Sample Records	\$2,935,479
Sample Record Average Improper Payment Amount	\$71,597
Estimated Number of Records with Payment Error (410 * .82)	336
Estimated Improper Payments (336 * \$71,597)	\$24,056,592

We estimate identification and correction of these discrepancies prevented, or will prevent, approximately \$4 million in additional improper payments over the next 12 months.

Table B–2: Estimated Improper Payments Avoided over the Next 12 Months if Corrected

Description	Amounts
Total Records in Population	410
Sample Size	50
Sample Records with Ongoing Payment Errors as of July 2018	37
Error Rate	74%
Average Monthly Ongoing Payment Error on 37 Sample Records	\$1,101
Sample Record Average Payment Error over Next 12 Months	\$13,223
Estimated Records with Ongoing Payment Errors (410 * .74)	303
Estimated Payment Errors over Next 12 Months (\$13,223 * 303)	\$4,006,569

We also identified 18 deceased representative payees. As of June 2018, SSA had issued the representative payees \$648,811 in payments after death. Identification and correction of these discrepancies will prevent \$162,720 in additional payments after death over the next 12 months.

Table B-3: Amounts Paid After 18 Representative Payees' Deaths and Estimated Payments over the Next 12 Months if Not Corrected

Description	Amounts
Deceased Representative Payees Receiving Beneficiary Payments	18
Total Payments Issued After Representative Payees' Deaths	\$648,811
Average Monthly Payment to Deceased Representative Payees	\$753
Average Annual Payment to Deceased Representative Payees	\$9,040
Estimated Payment After Death over Next 12 Months (\$9,040 * 18)	\$162,720

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: March 8, 2019

Refer To: SIJ-3

To: Gail S. Ennis
Inspector General

Stephanie Hall

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Match of Texas Death Information Against Social Security Administration Records” (A-06-18-50569) -- INFORMATION

Thank you for the opportunity to review the draft report. We have no comments.

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

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