



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Oklahoma Death
Information Against Social Security
Administration Records

A-06-18-50769 | July 2020



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: July 17, 2020

Refer To:

To: The Commissioner

From: Inspector General

Subject: Match of Oklahoma Death Information Against Social Security Administration Records (A-06-18-50769)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) determine whether the Social Security Administration made payments to beneficiaries and representative payees who were deceased according to Oklahoma Department of Health vital records 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 Rona Lawson, Assistant Inspector General for Audit, at 410-965-9700.

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

Gail S. Ennis

Attachment

Match of Oklahoma Death Information Against Social Security Administration Records

A-06-18-50769



July 2020

Office of Audit Report Summary

Objectives

To (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries and representative payees who were deceased according to Oklahoma Department of Health vital records 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 to provide SSA with death data to match against SSA's records. SSA and the States developed the Electronic Death Registration (EDR) process to improve the accuracy and timeliness of death information. Through EDR, States electronically submit death records to SSA, and SSA completes online, real-time verification of the Social Security number. If the numberholder's data match SSA records, SSA posts the State death information to its Numident file and terminates payments to deceased beneficiaries.

We obtained data files that provided the personally identifiable information of approximately 1.4 million Social Security numberholders the Oklahoma Department of Health recorded as deceased from January 1970 through December 2017. We matched the data against SSA records.

Findings

We estimate SSA issued \$11.2 million in payments after death to 310 beneficiaries and 2 representative payees who died in Oklahoma from January 1970 through December 2017. We estimate that identifying and correcting these discrepancies will prevent approximately \$3.5 million in additional payments after death over a 12-month period.

We also identified 16,238 non-beneficiaries who were deceased according to Oklahoma Department of Health vital records 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 so it does not post erroneous death data to its records. We have a separate, ongoing review that is assessing the effectiveness of the EDR process.

Agency Actions Resulting from the Audit

As of May 15, 2020, SSA had terminated benefits to 244 beneficiaries and 2 representative payees and initiated recovery of \$10.1 million in improper payments.

Recommendations

We recommend SSA:

1. Take action on the remaining deceased beneficiaries we identified.
2. Take action on the 16,238 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
EDR	Electronic Death Registration
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSI	Supplemental Security Income
Stat.	Statutes at Large
U.S.C.	United States Code

OBJECTIVES

Our objectives were to (1) determine whether the Social Security Administration (SSA) made payments to beneficiaries¹ and representative payees² who were deceased according to Oklahoma Department of Health vital records and (2) identify non-beneficiaries³ in the State files whose death information did not appear in Agency records.

BACKGROUND

In December 2019, SSA paid approximately \$93 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs to approximately 69 million beneficiaries.⁴ Under these programs, payment to a beneficiary terminates when the individual dies.⁵

To identify and prevent payments after death, the *Social Security Act* requires that SSA establish a program under which States can voluntarily contract to provide SSA with death data to match against SSA's records.⁶ 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,⁷ 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.⁸

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) (govinfo.gov 2018) 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 SSA, *Monthly Statistical Snapshot*, December 2019.

⁵ 20 C.F.R. §§ 404.311(b), 404.316(b)(1), and 416.1334 (govinfo.gov 2018).

⁶ *Social Security Act*, 42 U.S.C. § 405(r)(1) (govinfo.gov 2018).

⁷ SSA, *POMS*, GN 02602.050, A (September 3, 2019).

⁸ Other Federal agencies include the Railroad Retirement Board, Centers for Medicare & Medicaid Services, Internal Revenue Service, Department of Veterans Affairs, and Office of Personnel Management.

When a representative payee dies, SSA must replace the payee or send payments directly to the beneficiary. SSA may pay the beneficiary directly on an interim basis until it finds a suitable payee or on a permanent basis if it determines the beneficiary is capable of managing his/her own benefits.⁹ The *Social Security Act* requires that SSA establish a system of accountability for monitoring representative payees.¹⁰ 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.¹¹

We obtained data files that provided the personally identifiable information of approximately 1.4 million individuals the Oklahoma Department of Health recorded as deceased from January 1970 through December 2017. We matched the death data against SSA's June 2019 payment records and identified beneficiaries and representative payees 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. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

We estimate SSA issued \$11.2 million in payments after death to 310 beneficiaries and 2 representative payees the Oklahoma Department of Health recorded as deceased from January 1970 through December 2017.¹² Identifying and correcting these discrepancies will prevent approximately \$3.5 million in additional payments after death over a 12-month period. We also identified 16,238 non-beneficiaries who were deceased according to Oklahoma Department of Health vital records but whose death information was not in SSA's Numident.

We did not determine why this 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.¹³

⁹ 20 C.F.R. §§ 404.2050(d), 416.650(d), 404.2055, and 416.655 (govinfo.gov 2019). SSA may suspend payments under 20 C.F.R. §§ 404.2011(b) and 416.611(b) (govinfo.gov 2019) if it finds paying the beneficiary directly would cause substantial harm, and the Agency cannot find a suitable representative payee before the next payment is due.

¹⁰ *Social Security Act*, 42 U.S.C. §§ 405(j)(3)(A) and (6), and 1383(a)(2)(C)(i), (F)(iv) and (G) (govinfo.gov 2018).

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

¹² While we took steps to ensure the death certificates for the deceased beneficiaries belonged to the true numberholder, the true numberholder could be alive for pending cases. See Appendix A for more information about the steps we took to determine whether the true numberholder was deceased.

¹³ In May 2020, we issued the discussion draft report, *The Social Security Administration's Rejection of State Electronic Death Registration Reports*, A-08-18-50499.

Payments Issued to Deceased Beneficiaries

We identified 316 current beneficiaries whose personally identifiable information matched that of a deceased individual in the Oklahoma death data. We obtained death certificates for all 316 deceased individuals and randomly selected and reviewed 50 cases to estimate payments issued after death to these beneficiaries. Review of available records indicated 49 of 50 randomly selected beneficiaries were deceased.¹⁴ Based on our sample results, we estimate SSA issued \$11.2 million in payments after death to 310 beneficiaries who died in Oklahoma from January 1970 through December 2017. See Appendix B for our sampling methodology and results. Examples follow.

- A beneficiary receiving retirement benefits died in December 2015. SSA records did not contain a date of death and therefore retirement benefits continued. As of June 2019, SSA had issued over \$69,000 in payments after death.
- A widow receiving survivor benefits died in August 2010. SSA records did not contain a date of death and therefore the survivor benefits continued. As of June 2019, SSA had issued over \$79,000 in payments after death.
- A beneficiary receiving disability benefits died in February 2014. SSA records did not contain a date of death and therefore retirement benefits continued. As of June 2019, SSA had issued more than \$81,000 in payments after death.

Oklahoma began reporting deaths electronically to SSA through the EDR process in January 2011. Yet, as illustrated in Table 1, 93 percent of the beneficiaries died between 2011 and 2017.

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

Year of Death	Number of Beneficiaries	Percent of Total Beneficiaries
1970-1999	8	2.5
2000-2010	13	4.1
2011-2017	295	93.4
Total	316	100.0

Source: OIG Analysis of Oklahoma Death Data.

¹⁴ SSA records indicated one beneficiary was alive and had been a victim of identity theft.

In January 2020, we provided SSA’s Dallas Regional Office with Oklahoma death data and death certificates for the 316 beneficiaries so it could take appropriate action. We estimate that correcting these discrepancies will prevent approximately \$3.5 million in additional payments after death over a 12-month period.¹⁵

Payments to Deceased Representative Payees

We identified two representative payees who died in Oklahoma and SSA had issued \$39,860 in payments after their deaths. The Numident contained death information for one of the two representative payees; however, SSA had not replaced the representative payee. In several prior audits,¹⁶ we found SSA did not always replace representative payees after it posted death information to their Numident records.

In February 2020, we provided SSA information on the deceased representative payees. By May 2020, SSA had replaced the payees and prevented \$15,288 in additional payments after death over a 12-month period.¹⁷

Deceased Non-beneficiaries

We identified 16,238 non-beneficiaries¹⁸ who were deceased according to Oklahoma Department of Health vital records but who did not have death information in SSA’s Numident. As shown on Table 2, more than 85 percent of these individuals died before the State began reporting death information to SSA via EDR in January 2011.

¹⁵ We based this estimate on the assumption that conditions will remain the same for 12 months. See Appendix B, Table B-3.

¹⁶ SSA, OIG, *Follow-up on Deceased Representative Payees*, A-01-18-50350 (July 2019); *Deceased Representative Payees*, A-01-14-34112, (June 2015); *Follow up on the Social Security Administration’s Procedures to Identify Representative Payees Who Are Deceased*, A-01-06-16054, (October 2006); and *The Social Security Administration’s Procedures to Identify Representative Payees Who Are Deceased*, A-01-98-61009, (September 1999).

¹⁷ We based this estimate on the assumption that conditions will remain the same for 12 months. See Appendix B, Table B-4.

¹⁸ We matched Oklahoma death records that included a validated Social Security number, name, and date of birth (per Enumeration Verification System process) against SSA’s Numident. We excluded individuals who were receiving OASDI benefits or SSI payments.

Table 2: Non-beneficiaries by Year of Death

Year of Death	Number of Non-beneficiaries	Percent of Total Non-beneficiaries
1970-1999	12,823	79.0
2000-2010	1,054	6.5
2011-2017	2,361	14.5
Total	16,238	100.0

Source: OIG Analysis of Oklahoma Death Data.

In March 2020, we provided SSA data that identified all 16,238 non-beneficiaries for necessary action. Resolving these discrepancies will improve the accuracy and completeness of the death information SSA shares with other Federal benefit-paying agencies.¹⁹

CONCLUSIONS

SSA issued payments after death or had not recorded death information on its Numident on a small percentage of approximately 1.4 million decedents in the Oklahoma Department of Health vital records data file. However, based on our sample results, we estimate SSA issued approximately \$11.2 million in payments after death to 310 beneficiaries and 2 representative payees who died in Oklahoma from January 1970 through December 2017. Identifying and correcting these discrepancies will prevent approximately \$3.5 million in additional payments after death over a 12-month period.

We also identified 16,238 non-beneficiaries who were deceased according to Oklahoma Department of Health vital records 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.

AGENCY ACTIONS RESULTING FROM THE AUDIT

As of May 15, 2020, SSA had terminated benefits to 244 beneficiaries and 2 representative payees and initiated recovery of \$10.1 million in improper payments.

¹⁹ Although SSA shares its death information with other Federal benefit-paying agencies, those agencies should independently verify the individual's death before they take adverse action. 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 on the remaining deceased beneficiaries we identified.
2. Take action on the 16,238 deceased non-beneficiaries we identified to add their deaths to the Numident, as appropriate.

AGENCY COMMENTS

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



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations related to death matches with State agencies; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained an Oklahoma Department of Health vital records data file and identified approximately 1.4 million individuals recorded as having died in Oklahoma from January 1970 through December 2017. We matched these records against SSA’s Enumeration Verification System and June 2019 payment records and identified:
 - 316 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 Oklahoma death data.
 - Reviewed SSA’s systems, Oklahoma death data, LexisNexis, and public records as necessary.
 - Determined whether SSA (a) documented contact with the beneficiary¹ after the date of death in Oklahoma records, (b) had previously determined the beneficiary was a victim of identity theft, or (c) listed two individuals on the same Numident record and the deceased individual was not the beneficiary. If so, we considered the beneficiary to be alive, and, if not, we considered the beneficiary to be deceased.
 - Obtained Oklahoma death certificates and referred the 316 cases to SSA.
 - 2 deceased representative payees with beneficiaries in current payment status as of June 2019 whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Oklahoma death data. We referred these two payee cases to SSA.
 - 16,238 non-beneficiaries² whose Social Security numbers, names, and dates of birth matched those of deceased individuals in the Oklahoma death data but whose death information was not in SSA’s Numident as of June 2019. We referred these cases to SSA.
- Calculated payments issued after death for 50 randomly selected beneficiaries and the two representative payees and estimated our results (see Appendix B).

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

² This is in reference to deceased individuals who were not in current or suspended payment status at the time of our review.

We conducted our audit in Dallas, Texas, between June 2019 and February 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 our audit objectives. We determined that internal controls were not significant to our audit objectives; 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We identified 316 beneficiaries in current pay status whose personally identifiable information matched that of a deceased individual in the Oklahoma death data file.¹ We obtained a death certificate for each of the 316 beneficiaries. From this population, we selected a random sample of 50 to determine the payments issued after death as of June 2019.

We estimate SSA had issued the deceased beneficiaries approximately \$11.2 million in payments after their deaths. The following tables provide the details of our sample results and statistical projections.

Table B–1: Population and Sample Size

Description	Amounts
Population	316
Sample Size	50

Table B–2: Payments to Deceased Beneficiaries

Description	Number of Deceased Beneficiaries	Payments after Death as of June 2019
Sample Results	49	\$1,772,286
Point Estimate	310	\$11,200,849
Projection – Lower Limit	289	\$9,885,686
Projection – Upper Limit	315	\$12,516,012

Note: All statistical projections are at the 90-percent confidence level.

¹ The Oklahoma Department of Health vital records data file contained personally identifiable information of approximately 1.4 million individuals who died in Oklahoma from January 1970 through December 2017.

We estimate identification and correction of these discrepancies prevented, or will prevent, approximately \$3.5 million in additional payments after death over a 12-month period, as shown in Table B-3.²

Table B-3: Payments to Deceased Beneficiaries over a 12-Month period

Description	Number of Deceased Beneficiaries	Payments After Death Avoided
Sample Results with Ongoing Payment Errors as of July 2019	49	\$547,488
Point Estimate	310	\$3,460,124
Projection – Lower Limit	289	\$3,163,916
Projection – Upper Limit	315	\$3,756,332

Note: All statistical projections are at the 90-percent confidence level.

We identified two deceased representative payees. As of June 2019, SSA had issued the representative payees \$39,860 in payments after their deaths. By taking action on these two cases, SSA will prevent \$15,288 in additional payments after death over a 12-month period.³ The following table provides the details of our case results and estimation.

Table B-4: Payments to Deceased Representative Payees

Description	Amounts
Deceased Representative Payees Receiving Beneficiary Payments	2
Total Payments Issued After Representative Payees' Deaths	\$39,860
Average Monthly Payment to Deceased Representative Payees	\$637
Average Annual Payment to Deceased Representative Payees	\$7,644
Estimated Payment After Death over 12-Month Period(\$7,644 * 2)	\$15,288

² We based this estimate on the assumption that conditions will remain the same for 12 months.

³ We based this estimate on the assumption that conditions will remain the same for 12 months.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: July 8, 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 Oklahoma Death Information Against Social Security Administration Records” (A-06-18-50769) – 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.

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