



*Audit Report*

Title XVI Deceased Recipients Who  
Do Not Have Death Information on  
the Numident

**MEMORANDUM**

**Date:** May 3, 2013

**Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Title XVI Deceased Recipients Who Do Not Have Death Information on the Numident (A-09-12-22132)

The attached final report presents the results of our audit. Our objective was to determine whether the Social Security Administration had adequate controls to ensure death information for Title XVI deceased recipients was recorded on the Numident.

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



Patrick P. O'Carroll, Jr.

Attachment

# Title XVI Deceased Recipients Who Do Not Have Death Information on the Numident

## A-09-12-22132



May 2013

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) had adequate controls to ensure death information for Title XVI deceased recipients was recorded on the Numident.

### Background

To identify and prevent erroneous payments to deceased recipients, SSA's Death Alert, Control and Update System matches reports of death received from Federal, State, and local agencies against its Master Beneficiary (MBR) and Supplemental Security Records (SSR). SSA records the death information on its Numident, an electronic file that contains personally identifiable information (PII) for each person issued a Social Security number. SSA also creates a record of death information called the Death Master File (DMF). SSA uses death information during its Annual Wage Reporting process to determine whether wage or self-employment reports are erroneous. In addition, E-Verify uses death information to allow employers to determine newly hired employees' eligibility to work in the United States. Finally, the Help America Vote Verification (HAVV) system allows States to verify information for newly registered voters with SSA's Numident.

### Our Findings

SSA needs to improve its controls to ensure it records Title XVI recipients' death information on the Numident. Specifically, we determined that as many as

- 182,165 deceased recipients' deaths were not on the DMF, and
- 937 deceased recipients had earnings on the Master Earnings File for Calendar Year 2011 that were recorded 1 or more years after their deaths.

We also found that 92 employers made 113 E-Verify inquiries for 78 deceased recipients and did not receive any indication from SSA that these individuals were deceased. In addition, we found that HAVV requests for 78 deceased recipients indicated they were not deceased. This would not have prevented an individual from voting under a deceased recipient's identity.

Generally, the deaths were not on the Numident because the recipients' PII on the MBR, SSR, or death report did not match the recipients' PII on the Numident.

### Our Recommendations

We recommended that SSA:

1. Analyze its death processing systems to ensure it records death information on the Numident and determine whether it can efficiently correct any of the 182,165 Title XVI recipient records identified by our audit.
2. Develop a cost-effective method for identifying deceased recipients who have death information on the SSR but not on the Numident. This could involve periodic matches between the SSR and Numident to detect and correct missing death information.

SSA agreed with our recommendations.

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## ABBREVIATIONS

C.F.R.	Code of Federal Regulations
DACUS	Death Alert, Control and Update System
DMF	Death Master File
EAD	Earnings After Death
HAVV	Help America Vote Verification
MBR	Master Beneficiary Record
MEF	Master Earnings File
MVA	Motor Vehicle Administration
OIG	Office of the Inspector General
PII	Personally Identifiable Information
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SSA	Social Security Administration
SSN	Social Security Number
SSR	Supplemental Security Record
TNC	Tentative Nonconfirmation
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had adequate controls to ensure death information for Title XVI deceased recipients was recorded on the Numident.

## BACKGROUND

SSA administers the Supplemental Security Income program under Title XVI of the *Social Security Act*. This program provides payments to financially needy individuals who are aged, blind, or disabled.<sup>1</sup> Under Title XVI, payments are not payable for the month after death or later.<sup>2</sup> Upon receipt of a death report, SSA terminates the decedent's payments and initiates recovery for payments issued after death.<sup>3</sup>

To identify and prevent erroneous payments to deceased recipients, SSA's Death Alert, Control and Update System (DACUS) matches reports of death received from Federal, State, and local agencies against SSA's Master Beneficiary (MBR) and Supplemental Security Records (SSR).<sup>4</sup> DACUS also processes death reports from internal sources (for example, the SSR).<sup>5</sup> Finally, SSA records the death information processed by DACUS on the Numident, an electronic file that contains personally identifiable information (PII)<sup>6</sup> for each person issued a Social Security number (SSN).<sup>7</sup>

SSA uses death information from the Numident to create a record of death information called the Death Master File (DMF).<sup>8</sup> SSA also uses death information from the Numident during its Annual Wage Reporting process to determine whether wage or self-employment reports are erroneous. In addition, E-Verify, an Internet-based system, uses death information from the Numident to allow employers to determine newly hired employees' eligibility to work in the

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<sup>1</sup> *Social Security Act*, § 1601 *et seq.*, 42 U.S.C. § 1381 *et seq.*; 20 C.F.R. § 416.101 *et seq.*

<sup>2</sup> SSA, POMS, SI 02301.250 (December 2, 2004).

<sup>3</sup> SSA, POMS, SI 02301.250.A (December 2, 2004) and SI 02220.053 (August 12, 2009).

<sup>4</sup> SSA, POMS, GN 02602.060 (May 13, 2011). The MBR is an electronic record of all Title II beneficiaries. The SSR is an electronic record of all Title XVI recipients.

<sup>5</sup> *Social Security Act*, § 205(r), 42 U.S.C. § 405(r); SSA, POMS, GN 02602.060 (May 13, 2011).

<sup>6</sup> PII is any information that can be used to distinguish or trace an individual's identity, such as name, SSN, date and place of birth, or mother's maiden name.

<sup>7</sup> SSA, POMS, GN 02602.060 (May 13, 2011)

<sup>8</sup> SSA, POMS, GN 02602.060.B.1 (May 13, 2011).

United States. Finally, the Help America Vote Verification (HAVV) system allows States to verify the accuracy of newly registered voters' names and dates of birth, as well as the last four digits of their SSNs, with SSA's Numident.<sup>9</sup>

In a July 2012 audit,<sup>10</sup> we reported that SSA did not record death information on the Numident for approximately 1.2 million deceased Title II beneficiaries. As a result, we found that as many as (1) 1.2 million deceased beneficiaries were not on the DMF, (2) 681 deceased beneficiaries had earnings on the Master Earnings File (MEF) that were recorded 1 or more years after their deaths, and (3) 23 employers made 30 E-Verify inquiries for 23 deceased beneficiaries and did not receive any indication from SSA these individuals were deceased.

For our current audit, we identified 182,165<sup>11</sup> deceased Title XVI recipients who had a date of death on the SSR but did not have death information on the Numident as of June 2012 (see Appendix A).

## RESULTS OF REVIEW

SSA needs to improve its controls to ensure it records Title XVI recipients' death information on the Numident. Specifically, we determined that as many as

- 182,165 deceased recipients' deaths were not on the DMF, and
- 937 deceased recipients had earnings on the MEF for Calendar Year 2011 that were recorded 1 or more years after their deaths (see Appendix B).

We also found that 92 employers made 113 E-Verify inquiries for 78 deceased recipients and did not receive any indication from SSA these individuals were deceased. In addition, we found that HAVV requests for 78 deceased recipients indicated they were not deceased. This would not have prevented an individual from voting under a deceased recipient's identity.

Generally, the deaths were not on the Numident because the recipients' PII on the MBR, SSR, or death report did not match the recipients' PII on the Numident.

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<sup>9</sup> *Help America Vote Act of 2002*, Pub. L. No. 107-252, Title III, § 303, 116 Stat. 1666, 1711 (October 29, 2002); *Social Security Act*, § 205(r)(8); 42 U.S.C. § 405(r)(8).

<sup>10</sup> SSA, OIG, *Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident* (A-09-11-21171), July 9, 2012.

<sup>11</sup> The 182,165 recipients died between 1980 and 2011. The maximum number of deaths by year was 12,478 in 1996, and the minimum number was 1,911 in 1986.

## Missing Numident Death Information for Deceased Recipients

From the population of 182,165 deceased Title XVI recipients whose payments had been terminated for death on the SSR, we selected a random sample of 50 for review. Our review disclosed that SSA had terminated the payments for all 50 recipients; however, the death information was not on the Numident. On average, the 50 recipients had been deceased for 16.7 years.<sup>12</sup> The minimum time since their deaths was 2.8 years, and the maximum was 30.8 years. Based on our sample results, we expect the death information for most, if not all, of these 182,165 deceased recipients was not on the Numident (see Appendix B).

### *Missing Death Information Reduces the Effectiveness of the DMF*

Upon receipt of a valid death report, SSA should terminate the decedent's payments and record his/her date of death on the Numident. SSA then uses the death information from the Numident to create the DMF.<sup>13</sup> The DMF includes the decedent's SSN; dates of birth and death; and first, middle, and last names. SSA provides the DMF to the Department of Commerce's National Technical Information Service, which sells the DMF data to public and private customers who can purchase the DMF and subscribe to periodic updates for an additional cost.<sup>14</sup>

Various Federal entities rely on the DMF to detect unreported deaths and verify the accuracy of reported deaths. This includes four benefit-paying agencies—the Railroad Retirement Board, Department of Defense, Office of Personnel Management, and Department of Veterans Affairs. SSA also provides the DMF to the Centers for Medicare and Medicaid Services, Government Accountability Office, and Internal Revenue Service. Private industry customers (including banks, hospitals, universities, and insurance companies) purchase the DMF to verify death and prevent fraud. Finally, in June 2010, the President directed Federal agencies to ensure they thoroughly review available databases with relevant information on eligibility before they release any Federal funds. At a minimum, agencies shall, before payment and award, check the existing databases, including SSA's DMF, to verify eligibility.<sup>15</sup>

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<sup>12</sup> The mean was 16.7 years. The median was 16.2 years.

<sup>13</sup> SSA, POMS, GN 02602.060.B.1 (May 13, 2011).

<sup>14</sup> <http://www.ntis.gov/products/ssa-dmf.aspx>. Beginning in November 2011, SSA no longer provides death information to the National Technical Information Service to sell to public and private customers if a State record is the only source of death. *Social Security Act*, § 205(r), 42 U.S.C. § 405(r).

<sup>15</sup> Presidential Memorandum - *Enhancing Payment Accuracy Through a "Do Not Pay List,"* June 18, 2010.

Any Title XVI recipient's death recorded on the SSR but not on the Numident is not on the DMF. As a result, Federal and private entities that rely solely on the DMF to detect deaths would not know these individuals were deceased. Our review confirmed that as many as 182,165 deceased recipients were not on the Numident and therefore not on the DMF. This missing death information could result in erroneous payments made by Federal benefit-paying agencies that rely on the DMF to detect inaccurate or unreported deaths. The missing death information will also hinder private industry and State and local governments' ability to identify and prevent identity fraud.

### *Missing Death Information Reduces the Effectiveness of SSA's Earnings After Death Program*

SSA receives earnings reports from employers and records valid earnings on the MEF. To determine the validity of an earnings report, SSA compares the name and SSN on the earnings report to information on the Numident. In addition to verifying an individual's name and SSN, SSA reviews the Numident to determine whether the individual is deceased. Generally, when the Numident contains a date of death and the year of death is before the year of the reported earnings, the earnings are placed in SSA's Earnings Suspense File as earnings after death (EAD) records.

For any EAD record, SSA investigates and attempts to resolve the reported earnings. SSA sends a notice to employers, employees, and self-employed individuals to verify employment. If the employer states the individual is working for them but does not provide adequate information to resolve the issue, SSA sends a notice requesting that the employee contact SSA to correct the earnings information. If SSA can resolve the earnings, it records the wages to the proper SSN. If the employer informs SSA the individual is deceased, SSA instructs the employer to refund the employee's share of the Social Security taxes to the employee's estate or next of kin.

We found that since 2001, 1,886 deceased recipients had 11,171 earnings reports with total earnings of about \$311 million recorded on the MEF for 1 or more years after their deaths. This occurred because their deaths were not on the Numident and therefore not detected by SSA's EAD program. The following table shows the year, number of earnings reports, and amount of earnings on the MEF for 1 year or longer after the recipients' deaths.

**Table 1: Deceased Recipients with Reported Earnings 1 or More Years After Death**

<b>Calendar Year</b>	<b>Number of Earnings Reports</b>	<b>Amount of Earnings</b>
2001	1,014	\$24,082,680
2002	1,023	\$25,224,581
2003	1,024	\$25,762,353
2004	1,038	\$27,370,895
2005	1,041	\$28,334,021
2006	1,040	\$29,282,869
2007	1,061	\$30,256,853
2008	1,064	\$31,693,934
2009	971	\$29,939,076
2010	958	\$29,688,008
2011	937	\$29,307,181
<b>Total</b>	<b>11,171<sup>16</sup></b>	<b>\$310,942,451</b>

For 2011, 937 deceased recipients had reported earnings recorded on the MEF for 1 or more years after their deaths. From this population, we randomly selected 50 for review. Our review disclosed that 36 (72 percent) of these recipients incorrectly had earnings recorded on the MEF after their deaths.

Individuals used deceased recipients' SSNs or employers reported earnings using an incorrect SSN for the 36 deceased recipients. For example, SSA had terminated payments to a recipient who died in June 1985. However, earnings of \$481,194 were recorded on the MEF for the recipient between 1991 and 2011. In another example, a recipient who died in November 1993 had earnings of \$218,355 recorded on the MEF from 2002 to 2011.

For the remaining 14 recipients, SSA had an incorrect SSN on the SSR. We found the earnings reported for the 14 SSNs appeared to belong to another individual, and SSA needed to correct the SSN on the SSR. For example, SSA incorrectly established an SSR with information for a deceased recipient who was born on March 4, 1915 in Nettleton, Arkansas, and died in April 1990 using the SSN of a man who was born on November 19, 1954 in Newport, Arkansas.

Based on our sample results, we expect most, if not all, of these 937 deceased recipients had incorrect earnings recorded on the MEF for Calendar Year 2011 or the SSN was incorrect on the SSR (see Appendix B).

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<sup>16</sup> A deceased recipient may have earnings after death recorded for multiple years.

### *Missing Death Information Reduces the Effectiveness of E-Verify*

E-Verify is a Department of Homeland Security program that allows participating employers to verify whether newly hired employees are authorized to work in the United States under immigration law. E-Verify checks each new hire's information against the information on the Numident, including the new hire's SSN, name, date of birth, death data, fraud indicator, and U.S. citizenship. If the information the employers submitted does not match SSA's records, SSA sends a response to E-Verify, which in turn, generates a message to the employer that there is a discrepancy with SSA's records. This response is known as an SSA Tentative Nonconfirmation (TNC).

The response to the employer includes the reason for the discrepancy and instructions for notifying the employee. If the employee decides not to contest the TNC, the employer may terminate the employee based on E-Verify. However, if the employee contests the TNC, he/she has 8 Federal workdays to visit a local SSA field office to present the documentation required to resolve the discrepancy.

We identified 113 E-Verify inquiries for 78 of the deceased recipients from 92 employers between January 2010 and June 2011. These 78 deceased recipients had earnings recorded on the MEF after their deaths. Since these recipients' deaths were not on the Numident, the responses to the employers were that the names matched the Numident, and death data did not exist for these 78 individuals. Therefore, the E-Verify response did not indicate that individuals using these 78 SSNs should not be authorized to work in the United States.

### *Missing Death Information Reduces the Effectiveness of HAVV System*

The *Help America Vote Act of 2002* requires that States verify the information of newly registered voters for Federal elections.<sup>17</sup> The law requires that SSA assist States in verifying the information of new voters who do not present a valid driver's license during the voter registration process. States submit the voter registrant's name and date of birth, as well as last the four digits of their SSN, to their Motor Vehicle Administration (MVA) for verification with SSA. Accordingly, SSA verifies whether the information matches its records and reports whether the registrant is deceased. To comply with the law, SSA developed the HAVV system, which verifies the information submitted against the Numident and sends an indication of whether these records show the individual as deceased.

For the individuals in our population, we identified 84 HAVV requests for 78 deceased recipients between September 2007 and September 2009.<sup>18</sup> Since these recipients' deaths were

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<sup>17</sup> Pub. L. No. 107-252, Title III, § 303, 116 Stat. 1666, 1710 (October 29, 2002).

<sup>18</sup> As a follow-up to our July 2012 audit, *Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident* (A-09-11-21171), we identified 106 HAVV requests for 105 Title II deceased beneficiaries who do not have death information on the Numident. Since the death information was not on the Numident, the HAVV response did not indicate these beneficiaries were deceased.

not on the Numident, the responses to the State MVAs were that the information matched the Numident, and these 78 individuals were alive. Therefore, the response from HAVV did not indicate these recipients were deceased. This would not have prevented an individual from voting under a deceased recipient's identity.

## **Reasons for Missing Numident Death Information**

Upon receipt of a death report for a Title XVI recipient, SSA initiates action to terminate payments and recover payments issued after death. If SSA receives a death report from a first party (for example, family member or funeral director) or a State through the Electronic Death Registration process, SSA terminates payments without verification. SSA verifies the death reports it receives from all other sources.<sup>19</sup> When SSA terminates payments, DACUS processes the death termination action. Finally, if the SSN, name, date of birth, and gender on the death termination action match the Numident, SSA records the death on the Numident.<sup>20</sup> If a recipient also has a Title II record, SSA records the death on the Numident if the identifying information on the SSR, MBR, and Numident match.

### *Identifying Information Did Not Match*

We reviewed our random sample of 50 deceased recipients to determine why their deaths were not on the Numident. Our review disclosed that, except for the SSNs, identifying information on the SSR and Numident for 20 (40 percent) of the recipients did not match. However, based on our review of the records, we concluded that 19 recipients were, in fact, the same individuals. Generally, the records did not match because the recipients had minor differences in names and dates of birth on the SSR and Numident. Specifically, recipients had spelled their names differently or used married names on one of the records or the year of birth differed by more than 1 year while all other identifying information matched.

### *Identifying Information Matched Within SSA's Accepted Tolerances*

Of the 50 recipients in our sample, 30 (60 percent) had identifying information that matched between the SSR and Numident. Of these,

- 11 recipients had identifying information on the SSR, MBR, and Numident that either matched exactly or was within SSA's accepted tolerances;
- 4 recipients who did not have an MBR had identifying information on the SSR and Numident that matched exactly; and

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<sup>19</sup> SSA, POMS, SI 02301.250.A (December 2, 2004), SI 02220.053 (August 12, 2009), and GN 02602.050.A (January 23, 2012).

<sup>20</sup> SSA, POMS, GN 02602.060.B.2.c (May 13, 2011).

- 15 recipients had identifying information on the SSR and Numident that either matched exactly or was within SSA's accepted tolerances but did not match the MBR. Since the information did not match the MBR, the death information was not recorded on the Numident. However, all 15 recipients had been denied Title II benefits or their benefits had previously been terminated on the MBR.

### *Analysis of Recent Deaths Not Recorded on the Numident*

SSA retains a record of changes to the Numident death information for 1 to 2 years. Therefore, to determine why deceased recipients whose identifying information on the SSR and Numident matched but who did not have their deaths recorded on the Numident, we provided 26 recently deceased recipients to SSA for analysis. The analysis of the 26 recipients disclosed the deaths were not on the Numident for the following reasons.

- For five recipients, DACUS received requests from field offices or SSA's payment system to prevent the death information from being recorded on the Numident. However, we determined these actions were erroneous.
- PII matched the Numident and SSR but did not match the MBR for 17 recipients. Since the information did not match the MBR, the death information was not recorded on the Numident. However, all 17 recipients had been denied Title II benefits or their benefits had been terminated on the MBR.
- There were name discrepancies between the death report, Numident, SSR, and/or MBR for three recipients.
- For one recipient, the date of death on the SSR was later than the date on the death report, which prevented the death from being recorded on the Numident.

## CONCLUSIONS

SSA needs to improve controls to ensure it records death information on the Numident for deceased Title XVI recipients. Our review disclosed that as many as 182,165 deceased recipients' deaths were not on the DMF. We also found that as many as 937 deceased recipients had earnings recorded on the MEF after their deaths. Finally, the absence of death information on the Numident reduced the effectiveness of the E-Verify and HAVV systems. This resulted in incorrect responses to employers and State MVAs for 78 deceased recipients.

SSA stated that it has taken actions to improve the recording of death information. In September 2011, SSA implemented two projects to prevent the adjudication of a claim if a discrepancy exists between the name, SSN, and date and place of birth on the claim and Numident. The discrepancy must be resolved by correcting the claim or Numident. This should improve the consistency between SSA's payment records and Numident, thereby increasing the accuracy of the DMF. In December 2012, SSA implemented a monthly match between the Numident and MBR/SSR to identify data discrepancies between the Numident and these databases. This should increase the accuracy of the death information in SSA's records.

## RECOMMENDATIONS

We recommend that SSA:

1. Analyze its death processing systems to ensure it records death information on the Numident and determine whether it can efficiently correct any of the 182,165 Title XVI recipient records identified by our audit.
2. Develop a cost-effective method for identifying deceased recipients who have death information on the SSR but not on the Numident. This could involve periodic matches between the SSR and Numident to detect and correct missing death information.

## AGENCY COMMENTS

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

# *APPENDICES*

## Appendix A – SCOPE AND METHODOLOGY

From the Social Security Administration’s (SSA) Supplemental Security Record (SSR), we obtained a data extract of Title XVI recipients whose payments SSA terminated for death and whose SSR had a date of death. Using this extract, we identified a population of 182,165 deceased recipients who did not have a date of death recorded on the Numident as of June 2012. The following table summarizes the annual number of deceased recipients without death information on the Numident since 1980.

**Table A–1: Deceased Recipients Whose Death Was Not on the Numident**

Calendar Year	Number	Calendar Year	Number
1980	2,348	1997	11,027
1981	2,273	1998	10,926
1982	2,237	1999	9,443
1983	2,143	2000	7,663
1984	2,093	2001	4,912
1985	2,163	2002	4,734
1986	1,911	2003	4,473
1987	2,093	2004	4,590
1988	8,790	2005	4,798
1989	9,823	2006	3,584
1990	7,200	2007	3,067
1991	7,057	2008	2,546
1992	8,682	2009	2,379
1993	10,000	2010	2,062
1994	10,127	2011	2,217
1995	12,326	<b>Total</b>	<b>182,165</b>
1996	12,478		

For Calendar Years 2001 through 2011, we identified 1,886 deceased recipients who had 11,171 earnings reports for 1 or more years after their deaths that were recorded on SSA’s Master Earnings File (MEF). This included 1,118 recipients who had reported earnings in Calendar Years 2010 and 2011. We verified the 1,118 deceased recipients with the Department of Homeland Security’s E-Verify system and identified 113 inquiries for 78 of the deceased recipients from 92 employers. In addition, there were Help America Vote Verification requests for 78 deceased recipients between September 2007 and September 2009.

To accomplish our objective, we

- reviewed the applicable sections of the *Social Security Act*, the Code of Federal Regulations, the U.S. Code, and SSA's Program Operations Manual System;
- interviewed SSA employees from the Offices of Earnings, Enumeration, and Administrative Systems and Retirement and Disability Policy; and
- reviewed queries from SSA's Master Beneficiary Record, SSR, Numident, and MEF.

We determined the computer-processed data from the SSR were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective.

We performed audit work in Richmond, California, and Baltimore, Maryland, between May and November 2012. The entity audited was the Office of Systems under the Office of the Deputy Commissioner for Systems.

We conducted our 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 objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **Appendix B – SAMPLING METHODOLOGY AND RESULTS**

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### **Missing Death Information on the Numident**

From the Social Security Administration's (SSA) Supplemental Security Record (SSR), we obtained a data extract of Title XVI recipients whose payments SSA terminated for death and who had a date of death on the SSR. Using this extract, we identified a population of 182,165 deceased recipients who did not have a date of death recorded on the Numident as of June 2012. From this population, we selected a random sample of 50 recipients for review. Our review confirmed that all 50 recipients were terminated for death on the SSR; however, there was no death information recorded on SSA's Numident. Based on our sample results, we expect most, if not all, of these 182,165 deceased recipients did not have their death information on the Numident.

### **Earnings After Death**

For Calendar Years 2001 through 2011, we identified 1,886 deceased recipients who had 11,171 earnings reports for 1 or more years after their deaths that were recorded on SSA's Master Earnings File (MEF). This included 937 deceased recipients who had reported earnings in Calendar Year 2011. From this population, we selected a random sample of 50 for review. Our review disclosed that 36 (72 percent) of the 50 deceased recipients had erroneous earnings recorded on the MEF after their deaths. In addition, we found that 14 (28 percent) of the 50 recipients had an incorrect SSN on the SSR. Based on our sample results, we expect most, if not all, of these 937 recipients had earnings recorded on the MEF for Calendar Year 2011.

## Appendix C – AGENCY COMMENTS

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## SOCIAL SECURITY

### MEMORANDUM

**Date:** April 15, 2013 **Refer To:** S1J-3

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

**From:** Kate Thornton /s/  
Deputy Chief of Staff

**Subject:** Office of the Inspector General Draft Report, "Title XVI Deceased Recipients Who Do Not Have Death Information on the Numident" (A-09-12-22132)—INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,  
"TITLE XVI DECEASED RECIPIENTS WHO DO NOT HAVE DEATH  
INFORMATION ON THE NUMIDENT" (A-09-12-22132)**

We appreciate your acknowledgement of the advances we made to improve the accuracy of death information on our records and in our death reporting process. As you note on page 8, in fiscal year (FY) 2012 we implemented a number of projects designed to eliminate the potential for future mismatched information between our payment records (Master Beneficiary Record (MBR)/Supplemental Security Record (SSR)) and the Numident. We also designed a process to discover missing death information between the MBR/SSR and the Numident on a monthly basis. As described below, we continue our efforts to improve our posting of death information and the processing of death alerts.

**Recommendation 1**

Analyze its death processing systems to ensure it records death information on the Numident.

**Response**

We recommend consolidating the first two recommendations as you did for the "Title II Deceased Beneficiaries Who Do Not Have Death Information on the Numident" report (A-09-11-21171). The recommendation would then read as follows:

*"Analyze its death processing systems to ensure it records death information on the Numident and determine whether it can efficiently correct any of the 182,165 Title XVI recipient records identified by our audit."*

We agree with the modified recommendation. We are devoting systems and human resources to develop a plan to analyze a redesign of the Death Alert, Control, and Update System (DACUS). Our goal is to incorporate into the redesign an efficient way to correct any discrepancies between our payment records and the Numident. The workgroup will convene beginning in April 2013 and we expect the planning and analysis phase to be complete this fiscal year (FY). Our milestone for developing the DACUS rewrite is FY 2014.

In addition, we analyzed a sample of the records from the initial match from the Numident to MBR/SSR Monthly Death Match to ensure the procedures we are developing for processing these alerts cover situations technicians will encounter. We expect to fully implement the monthly match in mid-June 2013, which will alert technicians to correct the mismatched records, including the records identified in this audit review. We are continuing our analysis of why death information on the Numident and payment records are sometimes inconsistent.

**Recommendation 2**

Determine whether it can efficiently correct any of the 182,165 Title XVI recipient records identified by our audit.

**Response**

See response for recommendation 1.

**Recommendation 3**

Develop a cost-effective method for identifying deceased recipients who have death information on the SSR but not on the Numident. This could involve periodic matches between the SSR and Numident to detect and correct missing death information.

**Response**

We agree. Our goal is to incorporate into the DACUS redesign described in response to recommendation 1 an efficient way to correct any discrepancies between our payment records and the Numident.

## Appendix D – MAJOR CONTRIBUTORS

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