

OIG

Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Controls over Death Underpayments
Paid to Non-beneficiaries

A-09-16-50114 | June 2017

MEMORANDUM

Date: June 29, 2017

Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: Controls over Death Underpayments Paid to Non-beneficiaries (A-09-16-50114)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration had adequate controls over death underpayments paid to non-beneficiaries.

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.



Gale Stallworth Stone

Attachment

Controls over Death Underpayments Paid to Non-beneficiaries

A-09-16-50114



June 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) had adequate controls over death underpayments paid to non-beneficiaries.

Background

A death underpayment occurs when beneficiaries die before they receive all benefits due them or before they endorse a benefit check payable before the month of death. Death underpayments are payable to relatives or the legal representatives of the estates of deceased beneficiaries. SSA issues death underpayments to non-beneficiaries through the Single Payment System (SPS). A non-beneficiary is usually a family member who is eligible to receive a death underpayment but not entitled to benefits.

In a 2007 audit, we found that SSA's controls to prevent or detect improper or duplicate payments to non-beneficiaries were generally effective. However, SSA needed to improve its controls over the retention of supporting documentation for SPS payments and the recording of Social Security numbers (SSN) for SPS payments issued to non-beneficiaries.

Findings

Since our 2007 audit, SSA had improved controls over retaining supporting documentation for death underpayments. SSA obtained or retained written documentation for 247 (98.8 percent) of the 250 sampled death underpayments paid to non-beneficiaries. However, SSA did not always prevent or detect improper payments to non-beneficiaries and needs to improve controls over recording SSNs for death underpayments issued to non-beneficiaries.

Based on our random samples, we estimate SSA improperly paid 34,712 death underpayments, totaling \$16.5 million, and did not obtain or properly record the SSNs for 149,262 death underpayments totaling \$136.4 million. Finally, SSA paid \$7,661 to five non-beneficiaries who were deceased.

Recommendations

We recommend that SSA:

1. Take corrective action, as appropriate, for the 10 death underpayments improperly issued to the non-beneficiaries identified by our audit.
2. Remind employees of the proper procedures when processing death underpayments for non-beneficiaries.
3. Determine whether it should modify SPS to require a non-beneficiary's SSN when they have one.
4. Take corrective action for the death underpayments issued to the five deceased non-beneficiaries identified by our audit.

SSA agreed with our recommendations.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SPS	Single Payment System
SSA	Social Security Administration
SSN	Social Security Number
U.S.C.	United States Code

Forms

Form SSA-1099	<i>Social Security Benefit Statement</i>
Form SSA-1724	<i>Claim for Amounts Due in the Case of a Deceased Beneficiary</i>

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) had adequate controls over death underpayments paid to non-beneficiaries.

BACKGROUND

SSA administers the Old-Age, Survivors and Disability Insurance program to provide monthly benefits to retired and disabled workers, including their dependents and survivors.¹ A death underpayment occurs when beneficiaries die before they receive all benefits due them or before they endorse a benefit check payable before the month of death. Death underpayments are payable to relatives or the legal representatives of the estates of deceased beneficiaries.² SSA uses the Single Payment System (SPS) to pay death underpayments to non-beneficiaries. A non-beneficiary is usually a family member who is eligible to receive a death underpayment but is not entitled to benefits.³

In a 2007 audit,⁴ we found that SSA's controls to prevent or detect improper or duplicate payments to non-beneficiaries were generally effective. However, SSA needed to improve its controls over retaining supporting documentation for SPS payments and recording Social Security numbers (SSN) for SPS payments issued to non-beneficiaries. We estimated that SSA improperly paid \$7.3 million to 11,912 non-beneficiaries and did not retain adequate supporting documentation for \$98 million it paid to 50,030 non-beneficiaries. We also found that SSA did not obtain or record the SSNs for 176,029 death underpayments issued to non-beneficiaries. Our prior audit included several recommendations for corrective action with which SSA agreed.

For our current review, we identified 867,802 death underpayments issued to non-beneficiaries and 3,225 payments issued to non-beneficiaries who, according to the Numident,⁵ were deceased before SSA issued the payments. From these populations, we selected two random samples for review (see B-1 Appendix B).

¹ *Social Security Act*, 42 U.S.C. §§ 401, 402 (2017).

² 20 C.F.R. § 404.503 (2016).

³ SSA, *POMS, GN-General*, ch. GN 023, subch. GN 02301.030, sec. A (April 21, 2009).

⁴ SSA, OIG, *Controls over Miscellaneous Payments Made Through the Single Payment System*, A-09-07-17119 (2007).

⁵ SSA records death information on the Numident, an electronic file that contains information for each individual issued an SSN.

RESULTS OF REVIEW

Since our 2007 audit, SSA had improved controls over the retention of supporting documentation for death underpayments. SSA obtained or retained written documentation for 247 (98.8 percent) of the 250 sampled death underpayments paid to non-beneficiaries. However, SSA did not always prevent or detect improper payments to non-beneficiaries and needs to improve controls over recording SSNs for death underpayments issued to non-beneficiaries. Based on our random samples, we estimate SSA

- improperly paid 34,712 death underpayments totaling \$16.5 million and
- did not obtain or properly record the SSNs for 149,262 death underpayments totaling \$136.4 million.

Finally, we found that SSA paid \$7,661 to five deceased non-beneficiaries (see Appendix B).

These errors occurred because SSA (1) paid non-beneficiaries more or less than the amounts to which they were entitled, (2) issued payments to non-beneficiaries who were not entitled to the death underpayments, (3) did not have effective controls to ensure employees accurately recorded SSNs, or (4) did not review non-beneficiaries' Numident records to determine whether they were deceased before it issued the payments.

Improper Payments to Non-beneficiaries

Death underpayments occur when beneficiaries die before they receive all benefits due them or endorse a benefit check payable before the month of death.⁶ Death underpayments are payable to relatives or the legal representatives of the estates of deceased beneficiaries in the following order of priority established by the *Social Security Act*.⁷

1. A spouse who was living with the beneficiary at the time of death or a spouse entitled on the same earnings record at the time of death.
2. A child entitled on the same earnings record.
3. A parent entitled on the same earnings record.
4. A spouse not entitled on the same earnings record.
5. A child not entitled on the same earnings record.
6. A parent not entitled on the same earnings record.
7. A legal representative of the estate.⁸

⁶ 20 C.F.R. § 404.503 (2016).

⁷ *Social Security Act*, 42 U.S.C. § 404(d) (2017).

⁸ SSA, *POMS, GN-General*, ch. 023, subch. GN 02301.030, sec. A (April 21, 2009).

We found that SSA improperly paid 10 death underpayments totaling \$4,740. This consisted of five over- and five underpayments to non-beneficiaries.

- Two overpayments, totaling \$726, occurred because SSA did not follow the order of priority for paying the death underpayment. In one case, SSA paid the deceased beneficiary's granddaughter instead of the deceased beneficiary's entitled children. In the other case, SSA paid the deceased beneficiary's sister instead of the deceased beneficiary's entitled children.
- One overpayment occurred because SSA issued a \$1,693 duplicate payment.
- One \$35 overpayment occurred because SSA issued it for a beneficiary's month of death that was not payable.
- One overpayment occurred because the entire death underpayment was issued to one individual when it should have been divided to pay another individual who was in the same order of priority totaling \$1,744.
- One \$105 underpayment was returned but not reissued.
- Two underpayments were issued for less than the full amount due totaling \$412.
- Two underpayments, totaling \$25, that were not alerted by SSA's systems because the total amount payable was lower than \$50. SSA should have paid the underpayments because it had sufficient information to issue the payments.⁹

Payments Issued Without an SSN or with an Incorrect SSN

According to SSA policy, a written request for a death underpayment is not required if SSA records contain sufficient information to determine the identities and current addresses of all persons entitled to the underpayment. Otherwise, a written request is required from at least one person entitled to receive a portion of the underpayment. The written request must include (1) the applicant's relationship to the deceased, (2) the number of persons in the highest order of priority and their names and addresses, (3) the applicant(s) SSN (if they have one), and (4) whether the deceased had a surviving spouse living in the same household at the time of death. No particular form is required for requesting payment of an underpayment; however, SSA uses the Form SSA-1724 *Claim for Amounts Due in the Case of a Deceased Beneficiary* (see Appendix C) for this purpose.¹⁰ Additionally, SSA is required to provide the SSN on the *Social Security Benefit Statement* (Form SSA-1099) to notify individuals and the Internal Revenue Service of SSA benefits received during the year that are subject to income tax reporting.¹¹

⁹ SSA, *POMS, GN-General*, ch. 023, subch. GN 02301.060, sec. B.2 (August 30, 2006) states that payment under \$50 will be made if the file contains sufficient information to determine who is entitled to the underpayment.

¹⁰ SSA, *POMS, GN-General*, ch. 023, subch. GN 02301.050 (March 14, 2012).

¹¹ SSA, *POMS, General*, ch. 050, subch. GN 05001.005, sec. B.2 (November 7, 2013).

However, there were no controls in SPS to ensure SSA employees accurately recorded an SSN before they issued death underpayments to non-beneficiaries.

In our 2007 audit,¹² we recommended that SSA establish an SPS alert for all instances in which employees did not record SSNs for non-beneficiaries. SSA stated it did not establish an alert because of limited resources. SSA also stated that national reminders would assist employees in identifying instances in which non-beneficiaries' SSNs were not recorded in SPS. However, our current audit found the national reminders were not always effective and did not ensure employees accurately recorded SSNs in SPS for non-beneficiaries.

During our current audit, we found that SSA issued 43 death underpayments totaling \$39,290 but did not record or incorrectly recorded the non-beneficiaries' SSN when it issued the payments. SSA did not report this information to the Internal Revenue Service, as required. Of the 43, SSA had 31 SSNs but did not record 28 and incorrectly recorded 3 in SPS. For the remaining 12, SSA did not obtain the SSNs, as required. However, according to the documentation in SSA's records, the non-beneficiaries were eligible for the death underpayments. Without SSNs or with incorrect SSNs in SPS, the Forms SSA-1099 will not contain the recipients' SSNs. Consequently, SSA did not provide the Internal Revenue Service with the correct SSNs for 43 non-beneficiaries who received payments that were subject to income tax reporting.

For example, a deceased beneficiary's surviving widow submitted an SSA-1724 for a \$1,517 death underpayment. The widow included her SSN on the SSA-1724. However, the SSA employee did not record the SSN in SPS. As a result, the widow's SSN was not included on the SSA-1099, and SSA did not report the payment to the Internal Revenue Service.

Payments Issued to Deceased Non-beneficiaries

When a non-beneficiary who is eligible to receive a death underpayment dies, SSA divides his/her share of the payment among other eligible non-beneficiaries in the same order of priority. If there are no other members in the same category, SSA pays non-beneficiaries in the next or lower order of priority.¹³ Finally, a payment issued after a non-beneficiary's death is not due, and SSA should reclaim the payment.¹⁴

SSA paid death underpayments, totaling \$7,661, to five non-beneficiaries who died before SSA issued the payments. Three of the non-beneficiaries' deaths were recorded on the Numident before SSA issued the payments. Had SSA employees reviewed the deceased non-beneficiaries' Numident records, it would have prevented the issuance of \$2,057 in death underpayments. SSA was not aware of the remaining two deceased non-beneficiaries' deaths before it issued \$5,604 in death underpayments. As of March 2017, SSA had not taken action to recover these payments.

¹² SSA, OIG, *Controls over Miscellaneous Payments Made Through the Single Payment System*, A-09-07-17119 (2007).

¹³ SSA, *POMS, General*, ch. 023, subch. GN 02301.060, sec. B.3 (August 30, 2006).

¹⁴ SSA, *POMS, GN-General*, ch. 024, subch. GN 02408.610 (December 4, 2015).

For example, a beneficiary who died in July 2014 was underpaid \$518 because her June 2014 check was returned to SSA. In October 2014, SSA received an application for the death underpayment from her widower. The widower died in February 2015. However, SSA issued the underpayment to the deceased widower in March 2015—after the widower’s death had been recorded on the Numident. As of March 2017, SSA had not initiated recovery of the underpayment.

CONCLUSIONS

Since our 2007 audit, SSA had improved controls over retaining supporting documentation for death underpayments. SSA obtained or retained written documentation for 247 (98.8 percent) of the 250 sampled death underpayments paid to non-beneficiaries. However, SSA did not always prevent or detect improper payments to non-beneficiaries and needs to improve controls over recording SSNs for death underpayments issued to non-beneficiaries. We estimate that SSA improperly paid 34,712 death underpayments, totaling \$16.5 million, and did not obtain or properly record the SSNs for 149,262 death underpayments totaling \$136.4 million. Finally, SSA paid \$7,661 to five deceased non-beneficiaries (see Appendix B).

These errors occurred because SSA (1) paid non-beneficiaries more or less than the amounts to which they were entitled, (2) issued payments to non-beneficiaries who were not entitled to death underpayments, (3) did not have effective controls to ensure employees accurately recorded SSNs, or (4) did not review non-beneficiaries’ Numident records to determine whether they were deceased before it issued the payments.

RECOMMENDATIONS

We recommend that SSA:

1. Take corrective action, as appropriate, for the 10 death underpayments improperly issued to the non-beneficiaries identified by our audit.
2. Remind employees of the proper procedures when processing death underpayments for non-beneficiaries.
3. Determine whether it should modify SPS to require a non-beneficiary’s SSN when they have one.
4. Take corrective action for the death underpayments issued to the five deceased non-beneficiaries identified by our audit.

AGENCY COMMENTS

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

A handwritten signature in black ink that reads "Rona Lawson". The signature is written in a cursive, flowing style.

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

We obtained from the Social Security Administration’s (SSA) Payment History Update System a data extract of 867,802 death underpayments issued to non-beneficiaries and 3,225 payments issued to non-beneficiaries who, according to the Numident, were deceased before SSA issued the payments. SSA issued these death underpayments between January 2010 and March 2016.

To accomplish our objective, we

- reviewed the applicable sections of the *Social Security Act*, United States Code, Code of Federal Regulations, and SSA’s Program Operations Manual System;
- interviewed SSA employees from the Offices of Operations, Systems, and Retirement and Disability Policy;
- reviewed a random sample of 250 payments issued to non-beneficiaries from our population of 867,802 payments;
- reviewed a random sample of 50 payments issued to non-beneficiaries from our population of 3,225 payments;
- reviewed queries from SSA’s Master Beneficiary Record, Payment History Update System, Single Payment System, Numident, Treasury Check Information System, Paperless System, and Online Retrieval System;
- determined whether SSA properly paid the non-beneficiaries; and
- determined the number of payment records with no, or incorrect, Social Security numbers.

We determined whether the computer-processed data from the Payment History Update System were sufficiently reliable for our intended purpose. We tested the data to determine their completeness and accuracy. These tests allowed us to assess the reliability of the data and achieve our audit objectives.

We conducted audit work in Richmond, California, and Baltimore, Maryland, between August 2016 and March 2017. The entity reviewed was the Office of Operations under the Office of the Deputy Commissioner for Operations.

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 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

We obtained from the Social Security Administration’s (SSA) Payment History Update System a data extract of 867,802 death underpayments issued to non-beneficiaries and 3,225 payments issued to non-beneficiaries who, according to the Numident, were deceased before SSA issued the payments. SSA issued these death underpayments between January 2010 and March 2016.

Payments to Non-beneficiaries

Based on our review of a random sample of 250 payments from the population of 867,802 death underpayments, we determined that SSA improperly paid 10 death underpayments totaling \$4,740. We also found that SSA did not obtain or properly record the Social Security numbers (SSN) for 43 death underpayments totaling \$39,290. Projecting our sample results to the population of 867,802 death underpayments, we estimate SSA improperly paid 34,712 payments totaling \$16.5 million and did not obtain or properly record SSNs for 149,262 payments totaling \$136.4 million. We also found that SSA did not obtain or retain written documentation to support three death underpayments totaling \$1,420.

Table B–1: Population and Sample Size

Description	Payments
Population Size	867,802
Sample Size	250

Table B–2: Improper Payments to Non-beneficiaries

Description	Improper Payments	Amount Paid
Sample Results	10	\$4,740
Point Estimate	34,712	\$16,454,290
Projection - Lower Limit	18,972	\$2,024,687
Projection - Upper Limit	58,056	\$30,883,892

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

Table B–3: Payments Issued Without SSNs or with Incorrect SSNs

Description	Payments	Amount Paid
Sample Results	43	\$39,290
Point Estimate	149,262	\$136,383,832
Projection - Lower Limit	116,126	\$60,365,670
Projection - Upper Limit	187,548	\$212,401,994

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

Table B-4: Payments with No Documentation

Description	Payments	Amount Paid
Sample Results	3	\$1,420

Payments to Deceased Non-beneficiaries

Based on our review of a random sample of 50 payments from the population of 3,225 payments issued to non-beneficiaries who, according to the Numident, were deceased before SSA issued the payments, we determined SSA paid \$7,661 to 5 non-beneficiaries who died before SSA had issued the payments. For 39 payments, SSA obtained or incorrectly recorded the SSN of another individual who was deceased. The remaining six payments were for deceased non-beneficiaries but were either cancelled or returned.

Table B-5: Population and Sample Size

Description	Payments
Population Size	3,225
Sample Size	50

Table B-6: Payments Issued to Deceased Non-beneficiaries

Description	Payments	Amount Paid
Sample Results	5	\$7,661

Appendix C – FORM SSA-1724

Social Security Administration Form Approved
OMB No. 0960-0101

CLAIM FOR AMOUNTS DUE IN THE CASE OF A DECEASED BENEFICIARY

PRINT NAME OF DECEASED	SOCIAL SECURITY NUMBER OF DECEASED
If the deceased received benefits on another person's record, print name of that worker	NAME OF THE WORKER

The deceased may have been due a Social Security payment and/or a Medicare Premium refund. The Social Security Act provides that amounts due a deceased may be paid to the next of kin or the legal representative of the estate under priorities established in the law. To help us decide who should receive any payment due, please COMPLETE THIS ENTIRE FORM and RETURN it to us in the enclosed envelope.

This claim for the amounts due is being made on behalf of the family or the estate of _____ who died on _____ day of _____ (name of deceased) (month) (year)

and who lived in the state of _____.

PRINT NAME OF APPLICANT	RELATIONSHIP TO DECEASED (Widow, Son, Legal Representative, etc.)
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THE FOLLOWING ARE THE NEXT OF KIN OR LEGAL REPRESENTATIVE OF THE DECEASED NAMED ABOVE:

1.	NAME OF SURVIVING WIDOW(ER) (Please print. If none, state "NONE")	ADDRESS OF SURVIVING WIDOW(ER) (Please print house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code)
	ENTER SOCIAL SECURITY NUMBER(S) OF WIDOW(ER) NAMED ABOVE.	
	WAS THE WIDOW(ER) NAMED ABOVE LIVING IN THE SAME HOUSEHOLD WITH THE DECEASED AT THE TIME OF DEATH?	<input type="checkbox"/> YES If "YES", then SKIP items 2,3,4,5 and SIGN at bottom of page 2. <input type="checkbox"/> NO
	WAS HE OR SHE ENTITLED TO A MONTHLY BENEFIT ON THE SAME EARNINGS RECORD AS THE DECEASED AT THE TIME OF DEATH?	<input type="checkbox"/> YES If "YES", then SKIP items 2,3,4,5 and SIGN at bottom of page 2. <input type="checkbox"/> NO (Go on to item 2)
2.	ENTER NUMBER OF LIVING CHILDREN OF THE DECEASED. INCLUDE ADOPTED CHILDREN AND STEPCHILDREN; INCLUDE GRANDCHILDREN AND STEP-GRANDCHILDREN IF THEIR PARENTS ARE DISABLED OR DECEASED; OR IF THEY HAVE BEEN ADOPTED BY THE SURVIVING SPOUSE OF THE DECEASED. IF NONE OF THE ABOVE, SHOW "NONE" AND GO ON TO ITEM 4.	
	NUMBER	
	PRINT NAME AND COMPLETE ADDRESS OF EACH CHILD Remarks -(If you need more space for explaining any answers to the questions, attach a separate sheet.)	
	NAME OF CHILD	ADDRESS OF CHILD (Include house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code)
	RELATIONSHIP TO DECEASED (Grandchild, stepchild, etc.)	SOCIAL SECURITY NUMBER OF CHILD
	NAME OF CHILD	ADDRESS OF CHILD (Include house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code)
	RELATIONSHIP TO DECEASED (Grandchild, stepchild, etc.)	SOCIAL SECURITY NUMBER OF CHILD

3.	If any child listed in item 2 has a different name from that given at birth, attach a separate sheet with the following information: Child's Present Name, Name Given At Birth, and a brief explanation for the difference (e.g. Marriage or Court Order).	
4.	ENTER NUMBER OF LIVING PARENTS OF THE DECEASED (Include adopting parents and stepparents. If none, show "None") IF THERE ARE NO LIVING PARENTS, GO ON TO ITEM 5.	NUMBER
PRINT NAME AND COMPLETE ADDRESS OF EACH PARENT		
NAME OF LIVING PARENT		ADDRESS OF LIVING PARENT (Include house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code)
ENTER SOCIAL SECURITY NUMBER OF PARENT NAMED		
NAME OF LIVING PARENT		ADDRESS OF LIVING PARENT (Include house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code)
ENTER SOCIAL SECURITY NUMBER OF PARENT NAMED.		
5.	LEGAL REPRESENTATIVE OF THE DECEASED'S ESTATE (Skip this item if relatives are listed in 1, 2, or 4.)	
NAME OF LEGAL REPRESENTATIVE (Please print)		ADDRESS OF LEGAL REPRESENTATIVE (Please print house number, street, apt. number, P.O. Box, rural route, city, state, and ZIP code.)
NOTE: If you are applying as legal representative, please submit a certified copy of your letters of appointment.		

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge.

SIGNATURE OF APPLICANT			
SIGNATURE (First name, middle initial, last name)		DATE (Month, day, year)	TELEPHONE NUMBER (Include area code)
MAILING ADDRESS (House number and street, apt. number, P.O. Box, or rural route)			
CITY	STATE	NAME OF COUNTY	ZIP CODE
Direct Deposit Payment Address (Financial Institution)			
Type of Account		Nine Digit Routing Number	
<input type="checkbox"/> Checking <input type="checkbox"/> Savings			
Account Number			

WITNESSES ARE REQUIRED ONLY IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X) ABOVE. IF SIGNED BY MARK (X), TWO WITNESSES TO THE SIGNING WHO KNOW THE APPLICANT MUST SIGN BELOW GIVING THEIR FULL ADDRESSES.

SIGNATURE OF WITNESS	SIGNATURE OF WITNESS
ADDRESS (House number and street, city, state, and ZIP code)	ADDRESS (House number and street, city, state, and ZIP code)

Appendix D– AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: June 26, 2017 Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

From: Stephanie Hall /s/
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Controls over Death Underpayments Paid to Non-beneficiaries” (A-09-16-50114)--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,
“CONTROLS OVER DEATH UNDERPAYMENTS PAID TO NON-BENEFICIARIES”
(A-09-16-50114)**

We take our responsibility to control death underpayments very seriously, and have strategies in place to improve and enhance our process. As good stewards of taxpayer funds, and to preserve the public’s trust in our programs, we will continue to make enhancements and remind our employees of the tools available to them to ensure proper payment of benefits.

Recommendation 1

Take corrective action, as appropriate, for the 10 death underpayments improperly issued to the non-beneficiaries identified by our audit.

Response

We agree.

Recommendation 2

Remind employees of the proper procedures when processing death underpayments for non-beneficiaries.

Response

We agree.

Recommendation 3

Determine whether it [SSA] should modify SPS to require a non-beneficiary’s SSN when they have one.

Response

We agree.

Recommendation 4

Take corrective action for the death underpayments issued to the five deceased non-beneficiaries identified by our audit.

Response

We agree.

MISSION

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

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

FAX: 410-597-0118

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

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